

Deborah Price

<p style="text-align: right;">Page 1</p> <p>1 IN THE UNITED STATES DISTRICT COURT FOR 2 THE DISTRICT OF MARYLAND 3 NORTHERN DIVISION</p> <p>4 -----+</p> <p>5 MANOR CARE OF AMERICA, INC.,</p> <p>6 Plaintiff,</p> <p>7 v.</p> <p>8 PROPERTY & CASUALTY INSURANCE</p> <p>9 GUARANTY CORPORATION,</p> <p>10 Defendant.</p> <p>11 -----+</p> <p>12 Deposition of DEBORAH PRICE 13 Baltimore, Maryland 14 Thursday, July 11, 2003 15 1:35 p.m.</p> <p>20 Reported by: Brenda Hornstein 21 Job. No.: 153873</p>	<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES</p> <p>2</p> <p>3 On Behalf of the Plaintiff Manor Care of America, Inc.: 4 Cooper & Walinski 5 900 Adams Street 6 Toledo, Ohio 43624 7 419-241-1200</p> <p>8 BY: Gerald R. Kowalski, Esquire</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14 On Behalf of the Defendant Property & Casualty 15 Insurance Guaranty Corporation: 16 Whiteford, Taylor & Preston, L.L.P. 17 Seven Saint Paul Street 18 Baltimore, Maryland 21202-1626 19 410-347-9471 20 email: amezzanotte@wtplaw.com 21 BY: Albert J. Mezzanotte, Jr., Esquire</p>
<p style="text-align: right;">Page 2</p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6 Thursday, July 11, 2003 7 1:35 p.m.</p> <p>8</p> <p>9</p> <p>10 Deposition of DEBORAH PRICE</p> <p>11 held at the offices of:</p> <p>12</p> <p>13 Whiteford, Taylor & Preston L.L.P. 14 210 W. Pennsylvania Avenue 15 Towson, Maryland 21204-4515 16 410-832-2000</p> <p>17</p> <p>18</p> <p>19 Pursuant to notice, before Brenda 20 Hornstein, Certified Shorthand Reporter and 21 Notary Public in and for the State of Maryland.</p>	<p style="text-align: right;">Page 4</p> <p>1 C O N T E N T S</p> <p>2 EXAMINATION OF DEBORAH PRICE BY: PAGE: 3 Mr. Kowalski 5</p> <p>4</p> <p>5</p> <p>6</p> <p>7 EXHIBITS</p> <p>8 (included with transcript.)</p> <p>9 PRICE DEPOSITION EXHIBIT NO. PAGE: 10 1 Answers to Interrogatories. 28 11 2 Response of Defendant Property 12 & Casualty Insurance Guaranty 13 Corporation to Plaintiff's Request 14 for Production of Documents. 28 15 3 Notice and Invoice for Assessment 16 approved at the annual meeting of 17 the board of directors on June 8, 18 1993, with attached documents. 28</p> <p>19</p> <p>20</p> <p>21</p>

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<p style="text-align: right;">Page 5</p> <p>1 Thereupon,</p> <p>2 DEBORAH PRICE</p> <p>3 the Witness, called for examination by counsel for</p> <p>4 the Plaintiff and, after having been sworn by the</p> <p>5 notary, was examined and testified as follows:</p> <p>6 EXAMINATION BY COUNSEL FOR THE PLAINTIFF</p> <p>7 BY MR. KOWALSKI:</p> <p>8 Q State your name, please.</p> <p>9 A Deborah Price.</p> <p>10 Q What is your address Deborah, residence</p> <p>11 address?</p> <p>12 A 1000 Brightstone Drive, Apartment 202,</p> <p>13 Baltimore, 21237.</p> <p>14 Q Are you employed?</p> <p>15 A Property & Casualty Insurance Guaranty</p> <p>16 Corporation.</p> <p>17 Q How long have you worked there?</p> <p>18 A About 17 years.</p> <p>19 Q Have you ever had your deposition taken</p> <p>20 before?</p> <p>21 A No.</p>	<p style="text-align: right;">Page 7</p> <p>1 Q What is your job title? What do you</p> <p>2 call the organization you work for?</p> <p>3 A The Guaranty Corporation.</p> <p>4 Q If I say Guaranty Corporation, you'll</p> <p>5 know that I mean your employer, the PCIGC?</p> <p>6 A Yes.</p> <p>7 Q What is your job title for the Guaranty</p> <p>8 Corporation?</p> <p>9 A System administrator.</p> <p>10 Q And how long have you been the</p> <p>11 assistant administrator?</p> <p>12 A System administrator.</p> <p>13 Q Oh, system administrator?</p> <p>14 A Yes.</p> <p>15 Q How long have you been the system</p> <p>16 administrator?</p> <p>17 A I got, received that job title probably</p> <p>18 about 10, 12 years ago.</p> <p>19 Q Tell me what you do as the system</p> <p>20 administrator.</p> <p>21 A I oversee the computer projects; the</p>
<p style="text-align: right;">Page 6</p> <p>1 Q Have you ever testified in court</p> <p>2 before?</p> <p>3 A No.</p> <p>4 Q I'm going to ask you questions</p> <p>5 pertaining to the lawsuit that we have filed. If</p> <p>6 you don't understand any of my questions, let me</p> <p>7 know and I'll rephrase it, ask it again, or I'll</p> <p>8 have the court reporter read it back from the</p> <p>9 record. Okay?</p> <p>10 A Um-hum.</p> <p>11 Q Try to keep your responses verbal and</p> <p>12 yes or no so that we have a clear and accurate</p> <p>13 record here today. Okay?</p> <p>14 A Um-hum.</p> <p>15 Q If you need to take a break at any</p> <p>16 time, let us know, and we'll accommodate you.</p> <p>17 All right?</p> <p>18 A Yes.</p> <p>19 Q If you need to talk to Mr. Mezzanotte,</p> <p>20 let us know, and we'll accommodate you as well.</p> <p>21 A Okay.</p>	<p style="text-align: right;">Page 8</p> <p>1 programming. I also do a lot of their accounting</p> <p>2 work, the daily check issuing, monthly</p> <p>3 reconciliations.</p> <p>4 Q Who is your boss at the Guaranty</p> <p>5 Corporation?</p> <p>6 A Joseph Petr, P-E-T-R.</p> <p>7 Q What is his title?</p> <p>8 A Executive Vice President.</p> <p>9 Q Does he report to the board?</p> <p>10 A Yes.</p> <p>11 Q Before becoming the system</p> <p>12 administrator, what job positions did you have at</p> <p>13 the Guaranty Corporation?</p> <p>14 A When I first was employed at the</p> <p>15 Guaranty Corporation, I worked with the surety</p> <p>16 claims manager, data entry.</p> <p>17 Soon thereafter, I started into the</p> <p>18 computer project and then worked my way through</p> <p>19 that and, also, then took over the accounting.</p> <p>20 Q Where did you work before coming to the</p> <p>21 Guaranty Corporation?</p>

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<p style="text-align: right;">Page 9</p> <p>1 A Point Breeze Credit Union. 2 Q How long did you work there? 3 A My goodness. I think about three or 4 four years. 5 Q And before that, where did you work? 6 A For a security alarm company, Intrax 7 Electronic Security, I-N-T-R-A-X Electronic 8 Security. 9 Q What is the extent of your formal 10 education? 11 A Bachelor's degree. 12 Q From where? 13 A University of Baltimore. 14 Q In what field? 15 A Interdisciplinary studies. 16 Q When did you get that degree? 17 A 1991. 18 Q Have you ever worked in the field of 19 bodily injury claims? 20 A No. 21 Q How many other people are presently</p>	<p style="text-align: right;">Page 11</p> <p>1 A Maintain an account? 2 Q It's part of your job responsibility to 3 maintain an account for the funds that are in the 4 four statutory mandated accounts? 5 A A bank account? 6 Q Right. 7 A Yes. 8 Q Can you tell me how many claims have 9 been presented to the Guaranty Corporation as a 10 result of the PHICO, and that's P-H-I-C-O, 11 insolvency? 12 A I, I couldn't off the top of my head. 13 Q Is it more than 50? 14 A Yes. 15 Q Is it more than 100? 16 A Yes. 17 Q Is it more than 200? 18 A Yes. 19 Q Is it more than 500? 20 A I don't know, and, really, off the top 21 of my head, I couldn't tell you.</p>
<p style="text-align: right;">Page 10</p> <p>1 employed by the Guaranty Corporation? 2 A Ten. 3 Q Who in the Guaranty Corporation is 4 responsible for claim handling? 5 A Doug Knight, Valerie Crest, and other 6 claims examiners. 7 Q Two years ago, how many people were 8 employed by the Guaranty Corporation, 9 approximately? Are there more today than there 10 were two years ago? 11 A There are not more employees. 12 Q Does the Guaranty Corporation contract 13 out any of its claims handling work? 14 A I don't know. 15 Q Do you have knowledge of the four types 16 of accounts that the Guaranty Corporation must 17 establish pursuant to the Maryland statute? 18 A Yes. 19 Q Is that one of your responsibilities, 20 to establish and maintain an account for the 21 funds in those accounts?</p>	<p style="text-align: right;">Page 12</p> <p>1 Q Do you remember when PHICO became 2 insolvent? 3 A The exact date, I don't. I couldn't 4 tell you off the top of my head the exact date. 5 Q Do you remember the year? 6 A It's been in the last couple of years. 7 I can't tell you a year off the top of my head. 8 Q Has the Guaranty Corporation made an 9 assessment to its members because of the PHICO 10 insolvency? 11 A We've made assessments in the last few 12 years for the Workers Comp account. 13 Q Go ahead. 14 A The Workers Comp account has been the 15 last assessments that we've made over the last 16 few years. 17 Q There's a Workers Comp account, a 18 surety account, and another account? 19 A Workers Comp. There's title, auto, 20 Workers Comp, and all other. 21 Q Has there been an assessment in the all</p>

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<p style="text-align: right;">Page 13</p> <p>1 other account in the last five years?</p> <p>2 A I don't remember the exact date of the</p> <p>3 last assessment that was not Workers Comp.</p> <p>4 Q Did PHICO write Workers Compensation</p> <p>5 insurance?</p> <p>6 A I would have to look that up. I don't</p> <p>7 know.</p> <p>8 Q Do you know if a majority of the PHICO</p> <p>9 claims that the Guaranty Corporation is handling</p> <p>10 are related to nursing home or medical</p> <p>11 malpractice issues?</p> <p>12 A No, I do not know.</p> <p>13 Q You are aware of that in addition to</p> <p>14 the Manor Care policy, PHICO wrote medical</p> <p>15 malpractice insurance?</p> <p>16 A I, I don't know.</p> <p>17 Q Has the Guaranty Corporation paid any</p> <p>18 PHICO claims?</p> <p>19 A Yes.</p> <p>20 Q And can you tell me the amount of</p> <p>21 claims that have been paid by the Guaranty</p>	<p style="text-align: right;">Page 15</p> <p>1 Q The number of PHICO claims, the amount</p> <p>2 paid on the PHICO claims, the insureds on the</p> <p>3 PHICO policies?</p> <p>4 A In an annual statement?</p> <p>5 Q In an annual, quarterly, monthly, any</p> <p>6 kind of report?</p> <p>7 A You want to know if the number of</p> <p>8 claims, the amount of claims, and the insured</p> <p>9 name is included in an annual report?</p> <p>10 Q Any of that information, annual,</p> <p>11 monthly, or quarterly?</p> <p>12 MR. MEZZANOTTE: The question is pretty</p> <p>13 vague. I'm going to object to it.</p> <p>14 BY MR. KOWALSKI:</p> <p>15 Q Go ahead.</p> <p>16 A All of the information? Are you asking</p> <p>17 if all of the information is contained in the</p> <p>18 same report or different reports?</p> <p>19 Q Are there different reports for any of</p> <p>20 those categories that I mentioned?</p> <p>21 A Yes.</p>
<p style="text-align: right;">Page 14</p> <p>1 Corporation as a result of the PHICO insolvency?</p> <p>2 A No.</p> <p>3 Q Has it been more than a million</p> <p>4 dollars?</p> <p>5 A I don't know.</p> <p>6 Q Who would know that?</p> <p>7 A If I had reference material, I could</p> <p>8 tell you that, you know, from reference materials</p> <p>9 at the office. I just don't know it off the top</p> <p>10 of my head.</p> <p>11 Q Are you aware that the Guaranty</p> <p>12 Corporation has paid at least two claims where</p> <p>13 Manor Care, my client, was the named insured on a</p> <p>14 policy?</p> <p>15 A I do not know.</p> <p>16 Q Well, who would know that?</p> <p>17 A Claims adjustor.</p> <p>18 Q Would that information be contained in</p> <p>19 any annual report that is prepared by the</p> <p>20 Guaranty Corporation?</p> <p>21 A Which information?</p>	<p style="text-align: right;">Page 16</p> <p>1 Q And are those reports prepared on a</p> <p>2 monthly, quarterly, or some other basis?</p> <p>3 A Quarterly.</p> <p>4 Q Assuming that the Guaranty Corporation</p> <p>5 pays a PHICO claim on a medical malpractice</p> <p>6 policy, from what account are those funds taken</p> <p>7 from or credited to?</p> <p>8 MR. MEZZANOTTE: Object to the form.</p> <p>9 BY MR. KOWALSKI:</p> <p>10 Q Go ahead.</p> <p>11 A Medical malpractice claims.</p> <p>12 Q Right.</p> <p>13 A All other.</p> <p>14 Q Where does the Guaranty Corporation get</p> <p>15 the money to fund the all other account that</p> <p>16 that's used to pay medical malpractice claims?</p> <p>17 A Assessment.</p> <p>18 Q Are assessments made on an annual basis</p> <p>19 by the Guaranty Corporation?</p> <p>20 A On an as-needed basis.</p> <p>21 Q Does the Guaranty Corporation's year</p>

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<p style="text-align: right;">Page 17</p> <p>1 coincide with the calendar year or is it 2 different? 3 A Calendar year. 4 Q And there has not been an assessment 5 for 2002 or 2003 as a result of the other funds? 6 A No. 7 Q Will there be one in 2004? 8 A I couldn't tell. I don't know. 9 Q Do you know if any other funds have 10 been used to pay any PHICO claims from the date 11 of their insolvency until today? 12 A Any other funds? 13 MR. MEZZANOTTE: Objection. It 14 depends -- go ahead. Sorry. 15 (The Reporter read the previous 16 question.) 17 BY MR. KOWALSKI: 18 Q Let me try that question again. Do you 19 know if any money from the other funds account 20 has been used to pay any PHICO claims from the 21 date of their insolvency until today?</p>	<p style="text-align: right;">Page 19</p> <p>1 A All other. 2 Q The all other funds account? 3 A All other -- 4 MR. MEZZANOTTE: All other. 5 THE WITNESS: -- account. 6 BY MR. KOWALSKI: 7 Q Do you know if any money has been used 8 from the all other account to pay any PHICO funds 9 from the date of the, PHICO claims from the date 10 of PHICO's insolvency until today? 11 MR. MEZZANOTTE: Objection. You can 12 answer. 13 THE WITNESS: Off the top of my head, I 14 couldn't tell you. 15 BY MR. KOWALSKI: 16 Q Who would know that at the Guaranty 17 Corporation? 18 A I could tell you that if I had 19 reference material, and if I was at the office, I 20 could look it up. 21 Q You don't know whether any money from</p>
<p style="text-align: right;">Page 18</p> <p>1 MR. MEZZANOTTE: Objection. Your 2 question, I don't understand it, and I don't know 3 if she does, but unless I do, I'm not going to 4 let her answer it. What other funds are you 5 talking about? Are you talking about the all 6 other account? 7 MR. KOWALSKI: Right. If I use the 8 word, other funds, will you -- 9 MR. MEZZANOTTE: No. Use the proper 10 term. Don't -- 11 MR. KOWALSKI: Al -- 12 MR. MEZZANOTTE: No, it's not 13 negotiable. It's called all other. Just use the 14 correct term. 15 MR. KOWALSKI: Will you read the 16 question back. 17 (The Reporter read the previous 18 question.) 19 BY MR. KOWALSKI: 20 Q Give me the name that you use to 21 describe the other funds. Is it all other funds?</p>	<p style="text-align: right;">Page 20</p> <p>1 the all other account has been used for any PHICO 2 claim? 3 MR. MEZZANOTTE: Objection. She's 4 already answered the question. You don't have to 5 answer again. 6 BY MR. KOWALSKI: 7 Q Your answer is, you don't know? 8 MR. MEZZANOTTE: Her answer was what 9 she stated before. Come on. 10 BY MR. KOWALSKI: 11 Q Do you provide a monthly summary of the 12 funds in the all other account? 13 A Generally, we do that on a quarterly 14 basis, also. 15 Q Do you know if there is any money in 16 the all other account? 17 A Yes. 18 Q Where did that money come from? 19 A Assessments. 20 Q When was the last assessment that 21 produced funds for the all other account?</p>

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<p style="text-align: right;">Page 21</p> <p>1 A Off the top of my head, I couldn't tell 2 you.</p> <p>3 MR. MEZZANOTTE: We can go off the 4 record for a minute.</p> <p>5 (Discussion off the record.)</p> <p>6 MR. MEZZANOTTE: I don't want to leave 7 that answer standing because the answer is not 8 accurate and this was not a designee deposition.</p> <p>9 The areas of inquiry were not known to 10 us. If they had been, we might have other 11 witnesses to answer different areas of inquiry, 12 but there are other sources like claims 13 recoveries from the receiver that fund all of 14 these accounts.</p> <p>15 BY MR. KOWALSKI:</p> <p>16 Q Can you tell me all sources of money 17 that fund the all other account?</p> <p>18 A Assessment. Early access. (Pause.) 19 That's the most that I am aware of.</p> <p>20 Q What is early access?</p> <p>21 A Money received from a liquidator.</p>	<p style="text-align: right;">Page 23</p> <p>1 Q When was the last time you attended a 2 meeting of the National Conference of Insurance 3 Guaranty Funds?</p> <p>4 A May 2003.</p> <p>5 Q And have you attended meetings other 6 than the May 2003 meeting?</p> <p>7 A Yes.</p> <p>8 Q Do you regularly attend the meetings of 9 the NCIGF?</p> <p>10 MR. MEZZANOTTE: Objection. Can you 11 define what you mean by the meetings of the 12 NCIGF?</p> <p>13 BY MR. KOWALSKI:</p> <p>14 Q Do you know what I mean by the meetings 15 of the NCIGF?</p> <p>16 A My assumption was the annual meetings.</p> <p>17 Q How many annual meetings of the NCIGF 18 have you attended?</p> <p>19 A Most of them.</p> <p>20 Q Did anyone else from the Guaranty 21 Corporation attend the May 2003 meeting of the</p>
<p style="text-align: right;">Page 22</p> <p>1 Q Has the Guaranty Corporation received 2 any money from the PHICO liquidator?</p> <p>3 A (Pause.) I don't remember off the top 4 of my head if we received any from them.</p> <p>5 Q By an assessment, you mean an 6 assessment made to an insurance company 7 authorized to do business in the state of 8 Maryland?</p> <p>9 A I'm sorry. Can you repeat that.</p> <p>10 Q By an assessment, you mean an 11 assessment or a charge to an insurance company 12 that is authorized to do business in the state of 13 Maryland?</p> <p>14 A Yes.</p> <p>15 Q Do you know if the Guaranty 16 Corporation is a member of the National 17 Conference of Insurance Guaranty Funds?</p> <p>18 A Yes.</p> <p>19 Q Have you ever attended a meeting of the 20 National Conference of Insurance Guaranty Funds?</p> <p>21 A Yes.</p>	<p style="text-align: right;">Page 24</p> <p>1 NCIGF?</p> <p>2 A Yes.</p> <p>3 Q Who else attended?</p> <p>4 A Joseph Petr and Doug Knight.</p> <p>5 Q Where was that meeting?</p> <p>6 A New Orleans.</p> <p>7 Q Does the Guaranty Corporation prepare 8 an annual plan of operation?</p> <p>9 A The corporation has a plan of 10 operation.</p> <p>11 Q Is it prepared or updated on an annual 12 basis?</p> <p>13 A I don't know.</p> <p>14 Q Do you have any involvement in the 15 preparation of the plan of operation of the 16 Guaranty Corporation?</p> <p>17 A No.</p> <p>18 Q Who does?</p> <p>19 MR. MEZZANOTTE: If you know.</p> <p>20 THE WITNESS: I don't know every one 21 that would have, you know, something to do with</p>

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<p style="text-align: right;">Page 25</p> <p>1 any changes or updates. 2 BY MR. KOWALSKI: 3 Q Give me the names of some of the people 4 that might or that are involved in updating the 5 plan of operation. 6 A (Pause.) Joseph Petr. That would be 7 all that I would know. 8 Q What other insolvencies is the Guaranty 9 Corporation dealing with now other than PHICO? 10 A Do you want me to name all of the other 11 insolvencies? 12 Q As many as you can, please. 13 MR. MEZZANOTTE: Objection. Go ahead. 14 THE WITNESS: PHICO, Transit Casualty, 15 American Mutual Liability, American Mutual of 16 Boston, Reliance, American Druggist, Midland, 17 Ideal Mutual, Mission, Mission National, 18 Enterprise, Westmoreland, Rockwood, Integrity. 19 MR. MEZZANOTTE: Is there a point to 20 this, by the way? Sir, is there a point to this? 21 MR. KOWALSKI: Do you have an</p>	<p style="text-align: right;">Page 27</p> <p>1 MR. MEZZANOTTE: Hey. She's not 2 answering a question until you tell me what the 3 point is. This isn't a guessing game or a memory 4 contest. 5 You know what her area of 6 responsibility is and you're asking her all kinds 7 of things that have not a blessed thing to do 8 with this case. You're wasting my time and, more 9 importantly, her time. 10 MR. KOWALSKI: Are you instructing her 11 not to answer? 12 MR. MEZZANOTTE: I'm telling you, she's 13 not answering anything till you tell me what it 14 has to do with the case so we can move forward. 15 MR. KOWALSKI: Would you mark that as 16 Exhibit 1, please. 17 MR. MEZZANOTTE: Counsel, ignoring me 18 is not going to move the ball, so you tell me 19 what it has to do with anything and I'll be happy 20 to cooperate in any way I can. 21 But thus far, it is so mysterious, and</p>
<p style="text-align: right;">Page 26</p> <p>1 objection? I want to hear -- 2 (Simultaneous speaking.) 3 MR. MEZZANOTTE: Yeah, I do. What, 4 what, what does it have to do with anything? 5 What does any of this have to do with anything to 6 do with this case? 7 It's a simple case. You claim your 8 client was a resident of the state of Maryland. 9 We say they're not. 10 You're asking her about meetings and 11 all kinds of goofy things that are just wasting 12 everybody's time. Get to a point, for God's 13 sake. 14 Now you want to know every insolvency 15 that they're handling? There are hundreds of 16 them, so what is the point, and until you tell 17 me, we're done. Okay? 18 BY MR. KOWALSKI: 19 Q Do you remember any other insolvencies 20 that -- 21 (Simultaneous speaking.)</p>	<p style="text-align: right;">Page 28</p> <p>1 I've been doing this for 20 some years. I 2 confess, I can learn something new, but this is 3 really out in left field. 4 Well, I guess we're through if you're 5 going to sit there, giving me stony silence and 6 staring me at like I'm supposed to be scared or 7 something. You don't intimidate me, sir, so do 8 you want to discuss this further or are we 9 through? 10 MR. KOWALSKI: I have more questions to 11 ask this Witness. 12 MR. MEZZANOTTE: Well, then, let's move 13 on from this area. 14 MR. KOWALSKI: I asked the court 15 reporter to mark an exhibit. 16 (Discussion off the record.) 17 (Price Exhibit Nos. 1, 2, and 18 3 were marked for identification and 19 were attached to the transcript.) 20 BY MR. KOWALSKI: 21 Q Is it Ms. or Mrs. Price?</p>

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<p style="text-align: right;">Page 29</p> <p>1 A Ms.</p> <p>2 Q Ms. Price, let me hand you what has</p> <p>3 been marked as Price Exhibit 1, and will you</p> <p>4 confirm that you've seen that document and, in</p> <p>5 fact, signed the document?</p> <p>6 A (Indicating.) Yes.</p> <p>7 Q And have you reviewed the answers that</p> <p>8 you provided before the deposition here today?</p> <p>9 A Yes.</p> <p>10 Q Do you wish to make any changes to the</p> <p>11 answers that you've provided?</p> <p>12 MR. MEZZANOTTE: Objection. Read every</p> <p>13 single word before you answer that question.</p> <p>14 BY MR. KOWALSKI:</p> <p>15 Q Do you wish to make any changes to the</p> <p>16 answers that you've provided?</p> <p>17 MR. MEZZANOTTE: Objection. Read every</p> <p>18 single word before you answer that question.</p> <p>19 THE WITNESS: (Indicating.)</p> <p>20 BY MR. KOWALSKI:</p> <p>21 Q Have you finished reading Exhibit 1?</p>	<p style="text-align: right;">Page 31</p> <p>1 Q So if early access funds are received,</p> <p>2 the assessment account is credited with those</p> <p>3 funds?</p> <p>4 A Yes.</p> <p>5 Q Could you go back to Interrogatory</p> <p>6 No. 1.</p> <p>7 A (Indicating.)</p> <p>8 Q Before answering Interrogatory No. 1,</p> <p>9 did you read the complaint that Manor Care filed</p> <p>10 or the answer that was filed on behalf of the</p> <p>11 Guaranty Corporation?</p> <p>12 A No.</p> <p>13 Q Let me hand you Exhibit 3. Exhibit 3</p> <p>14 is a set of documents that were provided to me by</p> <p>15 your counsel along with Exhibit 2 which is the</p> <p>16 response of the Guaranty Corporation to the</p> <p>17 Plaintiff's Request for Production of Documents.</p> <p>18 A (Indicating.)</p> <p>19 Q Did you gather the documents that are</p> <p>20 part of composite Exhibit 3?</p> <p>21 A These documents, yes. (Indicating.)</p>
<p style="text-align: right;">Page 30</p> <p>1 A Yes.</p> <p>2 Q Do you believe your answers to be true,</p> <p>3 thorough, and accurate?</p> <p>4 A Yes.</p> <p>5 Q Do you wish to make any changes to any</p> <p>6 of those answers?</p> <p>7 A No.</p> <p>8 Q A few minutes ago, you told me that</p> <p>9 that source of revenues at the Guaranty</p> <p>10 Corporation was derived from assessments and</p> <p>11 early access funds. Correct?</p> <p>12 A Yes.</p> <p>13 Q Your answer to Interrogatory No. 2</p> <p>14 doesn't discuss early access funds.</p> <p>15 A (Indicating.) Early access that's</p> <p>16 received from the liquidator is reimbursement</p> <p>17 that PCI, money that PCIGC has already paid for</p> <p>18 claims and claims expenses.</p> <p>19 Q Before they were reimbursed by the</p> <p>20 liquidator, where did PCIGC get those funds?</p> <p>21 A From assessment.</p>	<p style="text-align: right;">Page 32</p> <p>1 Q The first page of the Exhibit 3 is a</p> <p>2 notice from the Guaranty Corporation concerning</p> <p>3 an assessment that was made in 1993. Correct?</p> <p>4 A Yes.</p> <p>5 Q At the top, it says Billing For and</p> <p>6 then a number of insurance companies are listed?</p> <p>7 A Yes.</p> <p>8 Q Were the companies listed in the</p> <p>9 Billing For category all of the insolvent</p> <p>10 insurance companies that the Guaranty Corporation</p> <p>11 was responsible for during 1993?</p> <p>12 MR. MEZZANOTTE: Objection.</p> <p>13 THE WITNESS: The companies listed here</p> <p>14 on the bill are those that the Guaranty</p> <p>15 Corporation was handling and paying Workers Comp</p> <p>16 claims.</p> <p>17 BY MR. KOWALSKI:</p> <p>18 Q In 1993?</p> <p>19 A Yes.</p> <p>20 Q I take it by the documents and your</p> <p>21 answers that the Guaranty Corporation was not</p>

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<p style="text-align: right;">Page 33</p> <p>1 paying any claims from the all other account in 2 1993?</p> <p>3 MR. MEZZANOTTE: Objection. That's not 4 what she said.</p> <p>5 BY MR. KOWALSKI:</p> <p>6 Q Is that true?</p> <p>7 MR. MEZZANOTTE: What is what true, 8 that she didn't say that? What, what are you 9 asking?</p> <p>10 BY MR. KOWALSKI:</p> <p>11 Q Did the Guaranty Corporation pay any 12 claims from the all other account in 1993?</p> <p>13 A I couldn't tell you that off the top of 14 my head.</p> <p>15 Q Do you know if the Guaranty Corporation 16 paid any claims from the all other account from 17 1993 till the present?</p> <p>18 A From 1993 till the present from the all 19 other account?</p> <p>20 Q Yes.</p> <p>21 A Yes, we paid claims.</p>	<p style="text-align: right;">Page 35</p> <p>1 MR. MEZZANOTTE: Well, I'm instructing 2 her not to answer.</p> <p>3 MR. KOWALSKI: Let me finish, please.</p> <p>4 Claims were paid from the other account as a 5 result of the PHICO insolvency.</p> <p>6 MR. MEZZANOTTE: Well, your argument is 7 that your client was a Maryland resident prior to 8 1998 and you know our position on the matter.</p> <p>9 Whatever happened from that time 10 forward, your client wasn't paying any money to 11 PHICO. I don't know who they may have been 12 paying to, but that's not at issue in this case.</p> <p>13 So whatever happened with the guaranty 14 fund, whoever and wherever they paid claims from 15 1997 to the present has not a blessed thing to do 16 with this and it relates to financial information 17 to which you're not entitled, sir.</p> <p>18 This is confidential information and 19 you can't just probe because you happen to think 20 you might stumble upon some fact that maybe might 21 in some possible way help you, so you tell me why</p>
<p style="text-align: right;">Page 34</p> <p>1 Q And do you know in what years you paid 2 claims?</p> <p>3 A I couldn't tell you off the top of my 4 head.</p> <p>5 Q Was an assessment then made for the 6 claims paid out of the all other account?</p> <p>7 A When?</p> <p>8 Q From 1993 to the present.</p> <p>9 MR. MEZZANOTTE: Object to the present.</p> <p>10 Okay? It's not relevant. You asked about the 11 period 1993 to 1997. Your client wasn't insured 12 by PHICO after '97, so whatever happened after 13 '97 is totally irrelevant.</p> <p>14 If the question is, what assessments 15 were made from 1993 to 1997 at all, we've given 16 you all the assessment documents for that period 17 of time.</p> <p>18 MR. KOWALSKI: Well, the question was 19 to the present, considering that claims have been 20 paid --</p> <p>21 (Simultaneous speaking.)</p>	<p style="text-align: right;">Page 36</p> <p>1 you need that information and I'll consider it.</p> <p>2 Or if you want to play the same game 3 that you did before and sit there and stare at 4 me, then go ahead, but she's not going to answer 5 the question.</p> <p>6 BY MR. KOWALSKI:</p> <p>7 Q Has the Guaranty Corporation paid any 8 claims from the all other account between 1993 9 through 1997?</p> <p>10 A Off the top of my head, I don't know.</p> <p>11 Q And who at the Guaranty Corporation 12 would know that?</p> <p>13 A I could tell you that if I was at the 14 office and could look it up.</p> <p>15 Q Could you go to the fourth page of 16 Exhibit 3, please.</p> <p>17 A (Indicating.)</p> <p>18 Q That's a notice or letter dated 19 August 15th of 1994?</p> <p>20 A Yes.</p> <p>21 Q And, again, toward the top of that</p>

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<p style="text-align: right;">Page 37</p> <p>1 document, there are a number of insurance 2 companies listed after the Billing For category? 3 A Yes. 4 Q Am I correct in assuming that those are 5 all of the insurance companies that wrote Workers 6 Compensation insurance for which the Guaranty 7 Corporation was handling claims in 1994? 8 A Those are the companies that PCIGC was 9 paying Workers Comp claims at that time. 10 Q What do you know about the Bandera 11 versus Manor Care claim that was presented to the 12 Guaranty Corporation? 13 MR. MEZZANOTTE: Objection. 14 THE WITNESS: I don't know anything 15 about that. 16 BY MR. KOWALSKI: 17 Q Who at the Guaranty Corporation would 18 have knowledge about the Bandera claim? 19 MR. MEZZANOTTE: Objection. She just 20 said she doesn't know anything about it. Come 21 on.</p>	<p style="text-align: right;">Page 39</p> <p>1 that, do it with me, not with her. 2 MR. KOWALSKI: Interrogatory No. 1 3 asked your client to identify all persons who are 4 likely to have personal knowledge of any fact 5 alleged in the complaint. The only person that 6 your client identified was Deborah Price. 7 MR. MEZZANOTTE: All right. Well, the 8 appropriate response to that interrogatory -- 9 (Simultaneous speaking.) 10 MR. KOWALSKI: Are you going to amend 11 your interrogatory answers? 12 MR. MEZZANOTTE: Wait a minute. Okay? 13 You asked me a question. Now, unlike you, I'll 14 answer your question. 15 This case was about what you asked us 16 to provide because the appropriate response to 17 that interrogatory is, it's vague, it's 18 irrelevant, and it can't be answered because it 19 requires someone to read your materials and guess 20 and speculate as to what you may mean. But 21 rather than answer that way -- are you shushing</p>
<p style="text-align: right;">Page 38</p> <p>1 MR. KOWALSKI: I'm asking her who at 2 the Guaranty Corporation has knowledge of the 3 Bandera claim? 4 MR. MEZZANOTTE: Well, if she doesn't 5 know anything about the Bandera claim, how would 6 she know who knows about the Bandera claim? Come 7 on, counsel. That's ridiculous. 8 MR. KOWALSKI: Interrogatory No. 1 asks 9 your client to identify all persons who are 10 likely to have personal knowledge of any fact 11 alleged in the complaint. 12 MR. MEZZANOTTE: Yeah. We responded -- 13 (Simultaneous speaking.) 14 MR. KOWALSKI: Let me finish, please. 15 (Simultaneous speaking.) 16 MR. MEZZANOTTE: -- in accordance with 17 what you -- 18 MR. KOWALSKI: Let me finish. 19 MR. MEZZANOTTE: -- what you submitted 20 to us as the areas that you were interested in 21 inquiring about, so if you want to debate about</p>	<p style="text-align: right;">Page 40</p> <p>1 me? 2 THE COURT REPORTER: Sir, I am not 3 going to be subjected to your screaming. I'm 4 really sorry. 5 MR. MEZZANOTTE: Well, that's not your 6 choice, ma'am. 7 THE COURT REPORTER: Yes, it is. 8 MR. MEZZANOTTE: I'm sorry. Your job 9 is to take down -- 10 THE COURT REPORTER: It is my choice. 11 MR. MEZZANOTTE: -- what I say. 12 THE COURT REPORTER: Not in this 13 climate. I will take this (indicating) 14 somewhere. I've got this right on tape. I am 15 not going to be subjected to your screaming. 16 MR. MEZZANOTTE: I'm not screaming -- 17 THE COURT REPORTER: Thank you. 18 MR. MEZZANOTTE: -- and the tape, 19 rather, will reflect that. Can you read back 20 what I said, please, because I've lost my train 21 of thought.</p>

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<p>1 (The Reporter read the record.)</p> <p>2 MR. MEZZANOTTE: Rather than answer</p> <p>3 that way, we tried to be cooperative and respond</p> <p>4 to the areas that you indicated to us you were</p> <p>5 interested in finding out, which was about the</p> <p>6 assessments.</p> <p>7 Now, counsel, very simply, this case is</p> <p>8 not about all these things that you're raising.</p> <p>9 You know what it's about.</p> <p>10 You claim your client is entitled to</p> <p>11 the benefits of the Maryland Guaranty Fund</p> <p>12 Statute because, at one time, your client was a</p> <p>13 resident of the state of Maryland.</p> <p>14 Our contention is that the</p> <p>15 interpretation of the statute as it's written is</p> <p>16 that your client is not entitled to those</p> <p>17 benefits because your client is, in fact, and</p> <p>18 you've admitted, an Ohio resident.</p> <p>19 So all of these things, I don't know</p> <p>20 about the Bandera claim, and if you're going to</p> <p>21 go through every claim and ask her the same</p>	<p>1 that have nothing to do with what you asked us</p> <p>2 about and that's what we tried to provide you in</p> <p>3 the answers to interrogatories rather than raise</p> <p>4 objections and rather than go through prolonged</p> <p>5 battles about it.</p> <p>6 So now, because we were cooperative and</p> <p>7 provided you what you want, you're trying to pull</p> <p>8 this stunt where you act like we haven't fully</p> <p>9 answered the question. It couldn't be further</p> <p>10 from the truth.</p> <p>11 MR. KOWALSKI: Again, I'll state,</p> <p>12 Interrogatory No. 1 asked your client to identify</p> <p>13 all persons who are likely to have personal</p> <p>14 knowledge of any fact alleged in the complaint.</p> <p>15 The Bandera lawsuit was specifically</p> <p>16 alleged in the complaint. The only person you</p> <p>17 identified in response to Interrogatory No. 1 was</p> <p>18 the Witness that you have produced today.</p> <p>19 MR. MEZZANOTTE: Ms. Price has general</p> <p>20 knowledge --</p> <p>21 MR. KOWALSKI: Let me finish.</p>
<p>1 Page 42</p> <p>2 questions, there are claims people and they can</p> <p>3 be identified.</p> <p>4 But what that has to do with this case</p> <p>5 totally, totally escapes me, so whether you're</p> <p>6 here to harass and annoy, oppress, embarrass,</p> <p>7 humiliate, I don't know, but it's not appropriate</p> <p>8 and I'm not going to stand for it and I'm not</p> <p>9 going to subject the Witness to it.</p> <p>10 And if I have raised my voice</p> <p>11 inappropriately, I apologize to everyone in the</p> <p>12 room, but I'm frustrated because you know what</p> <p>13 the court reporter may not know which is, none of</p> <p>14 this has anything to do with our case.</p> <p>15 And so I feel you are subjecting this</p> <p>16 Witness inappropriately to this kind of display</p> <p>17 and you're trying to embarrass her and intimidate</p> <p>18 her and that's totally improper. We don't do</p> <p>19 that.</p> <p>20 And if you want to argue with me,</p> <p>21 that's fine, but we don't need to spend time</p>	<p>1 Page 44</p> <p>2 MR. MEZZANOTTE: -- as to the process</p> <p>3 of establishing the assessments due from each</p> <p>4 member insured.</p> <p>5 MR. KOWALSKI: I assumed that since her</p> <p>6 name was given in response to Interrogatory</p> <p>7 No. 1, I would travel here today from Toledo and</p> <p>8 be able to question her about the items that your</p> <p>9 client indicated she had knowledge of.</p> <p>10 MR. MEZZANOTTE: Well, in the designee</p> <p>11 notice that you filed previous to all of this,</p> <p>12 none of those areas of inquiry were identified.</p> <p>13 Only the assessment area and the answer</p> <p>14 to Interrogatory No. 1 says quite clearly that</p> <p>15 she has knowledge about the assessments.</p> <p>16 It doesn't say anything about anything</p> <p>17 else. You never objected. You never asked us to</p> <p>18 provide information as to anyone else or any</p> <p>19 other areas that you were interested in.</p> <p>20 You had these for months now and this</p> <p>21 is the first I'm hearing that you have a problem,</p>

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<p style="text-align: right;">Page 45</p> <p>1 so we'll have to resolve the problem elsewhere. 2 Let's go off the record. 3 (Discussion off the record.) 4 BY MR. KOWALSKI: 5 Q What is the process for determining 6 whether an assessment is necessary? 7 A We look at the current reserves, we 8 look at the past maybe year's history of 9 payments, and we estimate what we may pay out, 10 say, for the next, you know, for the coming year, 11 and we look at the balance that we have in that 12 account and then determine if an assessment is 13 necessary. 14 Q Does this analysis occur for each of 15 the four accounts? 16 A Yes. 17 Q Do you know anything about the 1986 18 amendment to the Guaranty Corporation statute? 19 A No. 20 Q Were you at the Guaranty Corporation 21 in '86?</p>	<p style="text-align: right;">Page 47</p> <p>1 A I don't know whose responsibility it 2 is. 3 Q Do you think the last time an 4 assessment was made because of the motor vehicle 5 insurance account? 6 MR. MEZZANOTTE: Objection, and I'll 7 instruct her not to answer. It's not relevant to 8 anything. There's no motor vehicle insurance 9 involved in this case. 10 BY MR. KOWALSKI: 11 Q Do you know if PHICO issued any motor 12 vehicle insurance policies? 13 MR. MEZZANOTTE: Objection. 14 THE WITNESS: I don't know. 15 BY MR. KOWALSKI: 16 Q Do you know the last time an assessment 17 was made as a result of the title insurance? 18 MR. MEZZANOTTE: Objection. The same 19 grounds, and I instruct her not to answer that. 20 BY MR. KOWALSKI: 21 Q Do you know the last time the Guaranty</p>
<p style="text-align: right;">Page 46</p> <p>1 A Yes. 2 Q You just started then? 3 A Yes. 4 Q Who was the executive director or the 5 head executive in 1986 when you started? 6 A Joseph Petr. 7 Q And do you know when Mr. Petr started? 8 A No. 9 Q Would you agree that Manor Care is a 10 policyholder of PHICO for the years 1993 through 11 1997? 12 MR. MEZZANOTTE: Objection. 13 THE WITNESS: I don't know. 14 BY MR. KOWALSKI: 15 Q Have you ever reviewed the PHICO 16 insurance policies that were issued to Manor 17 Care? 18 A No. 19 Q Who at the Guaranty Corporation would 20 be responsible for reviewing those policies when 21 an insolvency occurs?</p>	<p style="text-align: right;">Page 48</p> <p>1 Corporation provided a refund to any member 2 insurance company -- 3 MR. MEZZANOTTE: Objection. 4 BY MR. KOWALSKI: 5 Q -- from any of the accounts? 6 MR. MEZZANOTTE: Objection. That's 7 confidential financial information. It's got 8 nothing to do with this case. 9 MR. KOWALSKI: Are you instructing her 10 not to answer? 11 MR. MEZZANOTTE: I'm instructing her 12 not to answer. 13 BY MR. KOWALSKI: 14 Q Do you know how long PHICO was a member 15 of the Guaranty Corporation? 16 A No. 17 Q Do you know if they were a member 18 before 1993? 19 A I, I don't know. 20 Q Who would know that? 21 A I have some reference material at the</p>

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<p style="text-align: right;">Page 49</p> <p>1 office that I could look up, but I don't know if 2 it would show that.</p> <p>3 MR. MEZZANOTTE: It's probably on 4 record at the Insurance Department, I would 5 think.</p> <p>6 BY MR. KOWALSKI:</p> <p>7 Q You have Exhibit 3 in front of you?</p> <p>8 A Yes.</p> <p>9 Q And you have the first page which we 10 talked about earlier as the assessment notice 11 from 1993?</p> <p>12 A Yes.</p> <p>13 Q Following that page is a memo to all 14 the members of the Guaranty Corporation which 15 reflects the assessment that is discussed in the 16 previous page?</p> <p>17 A Yes.</p> <p>18 Q Based on the second page of Exhibit 3, 19 can we conclude that the Guaranty Corporation 20 did not pay any claims from the title insurance 21 account that year?</p>	<p style="text-align: right;">Page 51</p> <p>1 account.</p> <p>2 Q If an assessment is made to a 3 particular account -- let me start over. An 4 assessment is made using the Guaranty 5 Corporation's best estimate as to how much it's 6 going to cost to settle those claims out of that 7 account for the coming year in a general sense?</p> <p>8 A I'm sorry. Can you repeat that.</p> <p>9 Generally?</p> <p>10 Q Yes, in a general sense.</p> <p>11 A Repeat, please.</p> <p>12 Q The assessment is determined by trying 13 to estimate the amount of money needed to pay 14 claims from a particular account in a particular 15 year.</p> <p>16 A Yes.</p> <p>17 Q Correct?</p> <p>18 A Claims and expenses, yes.</p> <p>19 Q Claims and expenses. And if, in fact, 20 the estimate was high, the Guaranty Corporation 21 will carry those funds over to the previous year</p>
<p style="text-align: right;">Page 50</p> <p>1 MR. MEZZANOTTE: Objection.</p> <p>2 BY MR. KOWALSKI:</p> <p>3 Q Go ahead.</p> <p>4 A I'm sorry. The question was, the 5 corporation did not pay any claims from the title 6 account?</p> <p>7 Q Yes, that year.</p> <p>8 A Yes. We did not.</p> <p>9 Q Same answer for the motor vehicle 10 account?</p> <p>11 A I don't --</p> <p>12 Q Go ahead.</p> <p>13 A I would have to look that up.</p> <p>14 Q Well, if you would have paid claims 15 that year, would you necessarily have had an 16 assessment that year?</p> <p>17 A No.</p> <p>18 Q And the reason you may not have had an 19 assessment is there would have been carry-over 20 funds from the previous year in that account?</p> <p>21 A There would be a balance in that</p>	<p style="text-align: right;">Page 52</p> <p>1 or refund them to the members?</p> <p>2 A Either.</p> <p>3 Q Does the Guaranty Corporation usually 4 carry those funds over rather than refund them?</p> <p>5 A Generally, yes, but we don't have a 6 large balance.</p> <p>7 Q You do your best trying to estimate the 8 funds needed in each account?</p> <p>9 A Yes.</p> <p>10 Q As far as the all other account that is 11 listed on the second page of Exhibit 3, do you 12 know if any claims were paid out of the all other 13 account for that year which is reflected in the 14 August 3 notice there?</p> <p>15 MR. MEZZANOTTE: Objection. It's been 16 asked and answered. Go ahead.</p> <p>17 MR. KOWALSKI: I think we asked about 18 the title, but I don't think we talked about 19 the --</p> <p>20 MR. MEZZANOTTE: You asked earlier 21 about it when we were last going through this</p>

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Page 53	Page 55
1 exhibit.	1 A (Indicating.)
2 THE WITNESS: Off the top of my head, I	2 Q You have a memo to the file from you
3 couldn't tell you.	3 dated December 16th of 1996?
4 BY MR. KOWALSKI:	4 A Um-hum. Yes.
5 Q If claims were paid out of the all	5 Q And did you prepare that memo on or
6 other account and no assessment was made, we know	6 about December 16 of 1996?
7 then there was a surplus from the previous year	7 A Yes.
8 that carried over to cover those claims?	8 Q Do you mean in that memo that there was
9 A Yes.	9 no assessment made in any of the accounts for
10 Q Have you ever attended any members of	10 1995?
11 the Guaranty Corporation board?	11 A Yes.
12 A Excuse me?	12 Q The next page is a similar memo that
13 Q Have you ever attended meetings of the	13 says there was no assessment made for the year
14 Guaranty Corporation board?	14 1996?
15 A Board of --	15 A Correct.
16 Q Board of directors.	16 Q Does that memo mean that there was no
17 A The board of directors?	17 assessment in any of the four accounts for 1996?
18 Q Yes, ma'am.	18 A Yes.
19 A Yes.	19 Q The next page concerns 1997. Same
20 Q And do you regularly attend those?	20 question. Would your answer be the same, there
21 A Not regularly.	21 was no assessment made in any account for 1997?
Page 54	Page 56
1 Q Have you attended any meetings of the	1 A Yes.
2 board of directors of the Guaranty Corporation	2 Q Again, if the Guaranty Corporation paid
3 since the PHICO insolvency?	3 claims in 1995, '96, and '97, then payment would
4 A Yes.	4 have been made from funds that carried over from
5 Q At the meetings that you attended when	5 the balance in those accounts in 1994?
6 the PHICO insolvency was discussed, was there any	6 A Yes.
7 discussion at those meetings concerning the	7 Q Is PHICO the largest insolvency that
8 Manor Care claims?	8 the Guaranty Corporation is dealing with at the
9 MR. MEZZANOTTE: Objection, and I'm	9 present time in terms of reserve dollars?
10 going to instruct her not to answer. Board	10 MR. MEZZANOTTE: Objection. If you
11 meetings are confidential. They are absolutely	11 know.
12 privileged.	12 THE WITNESS: I don't know.
13 BY MR. KOWALSKI:	13 BY MR. KOWALSKI:
14 Q Do you ever see minutes of the board	14 Q Is it one of the top three or four
15 meetings?	15 largest in terms of reserve dollars?
16 A No. I don't read the minutes.	16 A Currently?
17 Q Have you seen them and do you know they	17 Q Sure.
18 exist?	18 A I don't know.
19 A I know they exist.	19 Q Was it last year one of the largest
20 Q Could you go to the seventh page of	20 companies in terms of reserve dollars?
21 Exhibit 3, please.	21 MR. MEZZANOTTE: Objection. If you

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<p style="text-align: right;">Page 57</p> <p>1 know.</p> <p>2 THE WITNESS: I don't know off the top</p> <p>3 of my head.</p> <p>4 BY MR. KOWALSKI:</p> <p>5 Q Who at the Guaranty Corporation would</p> <p>6 know the answer to that?</p> <p>7 A I could, I could look it up if I had</p> <p>8 reference. I have nothing here. I'm sorry. I</p> <p>9 don't remember off the top of my head.</p> <p>10 Q Do you know who made the decision to</p> <p>11 deny the Manor Care claims?</p> <p>12 A No.</p> <p>13 MR. MEZZANOTTE: Objection.</p> <p>14 BY MR. KOWALSKI:</p> <p>15 Q Do you know if the board made that</p> <p>16 decision, the board of directors?</p> <p>17 A I don't know.</p> <p>18 Q Do you know why the Guaranty</p> <p>19 Corporation has denied the Manor Care claims?</p> <p>20 A No.</p> <p>21 Q Who at the Guaranty Corporation will</p>	<p style="text-align: right;">Page 59</p> <p>1 A I don't know.</p> <p>2 MR. MEZZANOTTE: Objection. Calls for</p> <p>3 her to speculate as to what someone else may</p> <p>4 know. It's improper.</p> <p>5 BY MR. KOWALSKI:</p> <p>6 Q Is Reliance primarily an auto insurer?</p> <p>7 MR. MEZZANOTTE: Objection.</p> <p>8 THE WITNESS: I don't know.</p> <p>9 MR. KOWALSKI: We'll adjourn the</p> <p>10 deposition at this time, subject to the</p> <p>11 instructions that were given for this Witness not</p> <p>12 to answer.</p> <p>13 MR. MEZZANOTTE: All right. Which</p> <p>14 ones? We can work it out now. Tell me.</p> <p>15 MR. KOWALSKI: Well, we can go from the</p> <p>16 beginning and go over --</p> <p>17 MR. MEZZANOTTE: Well, there are only a</p> <p>18 few questions that she was instructed not to</p> <p>19 answer. One had to do with --</p> <p>20 MR. KOWALSKI: I really don't intend to</p> <p>21 go back through this transcript and go over it --</p>
<p style="text-align: right;">Page 58</p> <p>1 know why they were denied and what process was</p> <p>2 involved in the denial?</p> <p>3 A I don't know.</p> <p>4 Q Do you know if the Guaranty Corporation</p> <p>5 has denied any claims other than the Manor Care</p> <p>6 claims on the basis that the policyholder was no</p> <p>7 longer a resident of the state of Maryland?</p> <p>8 MR. MEZZANOTTE: Objection. Do you</p> <p>9 know is the question; yes or no?</p> <p>10 THE WITNESS: No, I do not know.</p> <p>11 BY MR. KOWALSKI:</p> <p>12 Q And who would know the answer to that</p> <p>13 question?</p> <p>14 MR. MEZZANOTTE: Objection to that</p> <p>15 question.</p> <p>16 THE WITNESS: I don't know.</p> <p>17 BY MR. KOWALSKI:</p> <p>18 Q You don't know?</p> <p>19 A No.</p> <p>20 Q Would Mr. Petr know the answer to that</p> <p>21 question?</p>	<p style="text-align: right;">Page 60</p> <p>1 MR. MEZZANOTTE: Well, I'll take you</p> <p>2 through it real quick because, if we can work it</p> <p>3 out now, let's do it.</p> <p>4 MR. KOWALSKI: No. We're going to get</p> <p>5 this to the judge and we're going to let him help</p> <p>6 us work this out.</p> <p>7 MR. MEZZANOTTE: Well, counsel, you're</p> <p>8 making the decision now that you don't want to</p> <p>9 work this out. I asked you before, why are you</p> <p>10 asking certain questions? If you could tell me</p> <p>11 that, then perhaps we can work it out now. Are</p> <p>12 you electing not to do that?</p> <p>13 MR. KOWALSKI: At this point, I am.</p> <p>14 MR. MEZZANOTTE: We will read and sign.</p> <p>15 (Mr. Mezzanotte responded to inquiry</p> <p>16 that he wants to order a copy of the transcript.)</p> <p>17 MR. KOWALSKI: I do, too, and I want a</p> <p>18 copy of the tape as well.</p> <p>19 MR. MEZZANOTTE: I guess, I'll take</p> <p>20 one, too.</p> <p>21</p>

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<p>1 (Whereupon, signature not having been waived, the 2 taking of the deposition concluded at 2:50 p.m.) 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21</p>	<p>Page 61</p> <p>1 ESQUIRE DEPOSITION SERVICES 1020 19TH STREET, NORTHWEST 2 SUITE 620 WASHINGTON, D.C. 20036 3 4 ERRATA SHEET 5 Case Name: Manor Care v. Property & Casualty Insurance Guaranty Corporation 6 Witness Name: Deborah Price Deposition Date: Thursday, July 10, 2003 7 Job No.: 153873 8 Page No. Line No. Change 9 10 11 12 13 14 15 16 17 18 19</p> <hr/> <p>20 Signature _____ Date _____ 21</p>
<p>1 Ms. Deborah Price c/o Albert J. Mezzanotte, Jr., Esquire 2 Whiteford, Taylor & Preston, L.L.P. Seven Saint Paul Street 3 Baltimore, Maryland 21202-1626 4 IN RE: Manor Care v. Property & Casualty Insurance Guaranty Corporation 5 As requested at the time of deposition, a copy of your deposition transcript is being provided to you through your 6 counsel for your review and signature. The deponent should keep in mind that the purpose of review is only to ensure 7 accuracy and not to revise in an editorial manner. 8 If any changes or corrections are necessary, the deponent 9 should prepare an errata sheet listing by page and line 10 numbers the change or correction made; i.e., Page 15, Line 8, change "he said" to "she said." 11 When the errata sheet is completed, it should be signed by 12 the deponent. This signed errata sheet and original 13 signature page of the transcript should be sent to the attorney who ordered the original deposition within thirty (30) days, to be attached to the original deposition transcript. 14 15 16 17 18 19 20 21</p>	<p>Page 62</p> <p>1 CERTIFICATE OF SHORTHAND REPORTER - NOTARY PUBLIC 2 I, Brenda Hornstein, Certified 3 Shorthand Reporter, the officer before whom the 4 foregoing proceedings were taken, do hereby 5 certify that the witness whose testimony appears 6 in the foregoing deposition was duly sworn by me; 7 that the testimony of said witness was taken by 8 me in stenotype and thereafter reduced to 9 typewriting under my direction; that said 10 deposition is a true record of the testimony 11 given by said witness; that I am neither counsel 12 for, related to, nor employed by any of the 13 parties to the action in which this deposition 14 was taken; and, further, that I am not a relative 15 or employee of any attorney or counsel employed 16 by the parties hereto, nor financially interested 17 in the outcome of the action. 18 19 NOTARY PUBLIC IN AND FOR THE STATE OF MARYLAND 20 My commission expires 21 April 1, 2005</p>

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